

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN
FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2005
WITH
INDEPENDENT AUDITORS' REPORT

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name BLISSFIELD TOWNSHIP	County LENAWEE
Audit Date 3-31-05	Opinion Date 10-16-05	Date Accountant Report Submitted to State: 12-20-05	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) YEUTTER + ASSOCIATES, P.C.			
Street Address 225 W. ADRIAN ST	City BLISSFIELD	State MI	ZIP 49228
Accountant Signature Jeffrey A. Yutter, CPA			

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

INDEPENDENT AUDITORS' REPORT

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BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended March 31, 2005

As management of Blissfield Township, Lenawee County, Michigan, we offer readers of Blissfield Township's financial statements this narrative overview and analysis of the financial activities of Blissfield Township for the fiscal year ended March 31, 2005. We encourage readers to consider the information presented here.

Financial Highlights

- * The assets of Blissfield Township exceeded its liabilities at the close of the most recent fiscal year by \$2,147,679 (net assets). Of this amount, \$256,021 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- * The government's total net assets increased \$15,195. This increase is attributable to surpluses in the fire operating, road improvement and fire department funds offset by depreciation expense of \$70,935.
- * As of the close of the current year, Blissfield Township's governmental funds reported combined ending fund balances of \$786,393, an increase of \$36,019 in comparison with the prior year.
- * At the end of the current year, unreserved fund balance for the general fund was \$256,021 or 123 percent of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Blissfield Township's basic financial statements. Blissfield Township's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Blissfield Township's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of Blissfield Township's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Blissfield Township is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements show functions of Blissfield Township that are principally supported by taxes and intergovernmental revenues (governmental activities). There are no functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Blissfield Township include general government, fire operating, road improvement, special fire (equipment) and fire department funds.

The government-wide financial statements can be found on pages 3-4 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Blissfield Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Blissfield Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Blissfield Township maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, fire operating, special fire, and road improvement funds, which are considered to be major funds. The remaining fund, the fire department fund, is considered a nonmajor fund.

Blissfield Township adopts an annual appropriated budget for all major funds. A budgetary comparison statement has been provided for all major governmental funds to demonstrate compliance with budget.

The basic governmental fund financial statements can be found on pages 5 - 11 of this report.

Fiduciary Fund. The Fiduciary Fund is used to account for resources held under tax collection activity. The Fiduciary Fund is not reflected in the government-wide financial statement.

The basic Fiduciary Fund financial statement can be found on page 12 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13-21 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Blissfield Township, assets exceeded liabilities by \$2,147,679 at the close of the most recent fiscal year.

The largest portion of Blissfield Township's net assets (63 percent) reflects its investment in capital assets (e.g., land, buildings, equipment). Blissfield Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Blissfield Township, Lenawee County, Michigan's Net Assets

	<u>Governmental Activities</u>
Current and other assets	\$ 786,393
Capital assets	<u>1,361,286</u>
Total assets	\$ <u>2,147,679</u>
Total liabilities	\$ <u>0</u>
Net assets:	
Invested in capital assets, net of related debt	\$ 1,361,286
Restricted	530,372
Unrestricted	<u>256,021</u>
Total net assets	\$ <u>2,147,679</u>

A portion of Blissfield Township's net assets (25 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$256,021) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Blissfield Township is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

Financial Analysis of the Government's Funds

As noted earlier, Blissfield Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Blissfield Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Blissfield Township's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of this fiscal year.

As of the end of the current fiscal year, Blissfield Township's governmental funds reported combined ending fund balances of \$786,393, an increase of \$36,019 in comparison with the prior year. Special Revenue Funds have \$530,372 available for their special uses.

The general fund is the chief operating fund of Blissfield Township. At the end of the current fiscal year, unreserved fund balance of the general fund was \$256,021.

The fund balance of Blissfield Township's general fund decreased by \$(30,576) during the current fiscal year. A key factor in this decrease was capital outlays of \$41,705, the majority of which were for cemetery improvements.

General Fund Budgetary Highlights

The differences in the original budget and final amended budget for the Blissfield Township General Fund may be described as follows:

The Administration budget was increased by \$16,500. Higher than expected insurance costs accounted for \$7,800 of this increase. Clerk and treasurer salary budgets along with related pension expense budget were increased by \$7,700 in anticipation of pay increases. Actual pay increases turned out to be only one-third this amount.

The Cemetery budget was increased from \$42,500 to \$62,500 because of some large maintenance expenses. We hired contractors to install a wrought iron fence and a sidewalk at the cemetery.

The Drains at Large budget was increased from \$5,000 to \$6,000 because of higher than anticipated drain assessments.

Capital assets. Blissfield Township's investment in capital assets for its governmental activities as of March 31, 2005, amounts to \$1,361,286 (net of accumulated depreciation). This investment in capital assets includes land, buildings, office furniture and equipment, machinery and equipment, and fire vehicles and equipment. The total decrease in Blissfield Township's investment in capital assets for the current fiscal year was \$(20,824).

Major capital purchases during the current fiscal year were wrought iron fencing (\$27,795) and a sidewalk (\$8,115) both of which were installed at the cemetery.

Blissfield Township, Lenawee County, Michigan's Capital Assets

Land	\$	74,432
Land improvements		50,433
Buildings		780,700
Machinery and equipment		5,166
Fire vehicles and equipment		442,034
Office furniture and equipment		<u>8,521</u>
Total	\$	<u><u>1,361,286</u></u>

Additional information on Blissfield Township's capital assets can be found in Note 4 on page 20.

Economic Factors and Next Year's Budgets and Rates

The 2005-2006 budgets that were adopted for Blissfield Township are very conservative. We expect a decrease in revenue. The State Revenue Sharing will likely decrease as has been projected by the State. Interest income may increase slightly, but that is a small portion of our budget.

General fund expenditures are conservatively budgeted for 2005-2006. Expenditures for 2004-2005 were \$207,363, but included \$41,705 of capital expenditures. The 2005-2006 expenditure budget is \$201,600 but only \$10,000 of capital expenditures are anticipated.

The fire operating fund budget for 2005-2006 is very conservative. Budgeted revenues are only \$105,000 compared to \$129,928 actual for 2004-2005. Ambulance billings are budgeted significantly less than 2004-2005 actuals. Budgeted expenditures are \$131,000 compared to 2004-2005 actuals of \$120,136.

The special fire (equipment) fund budget includes capital outlay of \$125,000, the majority of which is for the purchase of a new ambulance.

The road should have in excess of \$330,000 available for maintenance and improvement projects. The Township historically has spent much less than this annually.

Requests for Information

This financial report is designed to provide a general overview of Blissfield Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Blissfield Township, Box 58, Blissfield, Michigan 49228.



October 18, 2005

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Blissfield Township
Lenawee County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Blissfield Township, Lenawee County, Michigan, as of and for the year ended March 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Blissfield Township, Lenawee County, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Blissfield Township, Lenawee County, Michigan, as of March 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended and interpreted, as of March 31, 2004.

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October 18, 2005

Blissfield Township
Lenawee County, Michigan

The management's discussion and analysis on pages i through vii is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Blissfield Township, Lenawee County, Michigan's basic financial statements. The combining and individual nonmajor fund financial statements and schedule have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yeutter & Associates, P.C.

Yeutter & Associates, P.C.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

STATEMENT OF NET ASSETS

PRIMARY GOVERNMENT

March 31, 2005

	<u>Governmental Activities</u>
<u>Assets</u>	
Current assets:	
Cash	\$ 770,067
Taxes receivable	14,745
Accounts receivable	1,581
Total current assets	<u>786,393</u>
Capital assets:	
Land	74,432
Land improvements	55,470
Buildings and improvements	968,523
Machinery and equipment	12,060
Fire vehicles & equipment	785,797
Office & computer equipment	8,977
Furniture and fixtures	6,547
Accumulated depreciation	(550,520)
Total capital assets	<u>1,361,286</u>
Total assets	<u>\$ 2,147,679</u>
<u>Liabilities</u>	
Total liabilities	<u>\$ 0</u>
NET ASSETS:	
Invested in capital assets	\$ 1,361,286
Restricted for:	
Fire operations	159,103
Road maintenance	178,843
Fire equipment	184,175
Fire Department	8,251
Unrestricted	<u>256,021</u>
Total net assets	<u>\$ 2,147,679</u>

The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

STATEMENT OF NET ASSETS

PRIMARY GOVERNMENT

March 31, 2005

			Net (Expense) Revenue and Changes in Net Assets
			<u>Primary Government</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Governmental Activities</u>
Governmental activities:			
General government	\$ 155,637	\$ 20,731	\$ (134,906)
Public safety	195,988	23,836	(172,152)
Highways and streets	113,412		(113,412)
Other	<u>15,369</u>		<u>(15,369)</u>
Total governmental activities	\$ <u>480,406</u>	\$ <u>44,567</u>	\$ <u>(435,839)</u>
General Revenues:			
Property taxes			\$ 359,213
State revenues			50,353
Investment earnings			10,576
Donations			25,664
Other			<u>5,228</u>
Total general revenues and transfers			<u>451,034</u>
Change in net assets			15,195
Net assets - beginning of year			2,132,484
Net assets - end of year			<u><u>\$ 2,147,679</u></u>

The notes to the financial statements are an integral part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

BALANCE SHEET

GOVERNMENTAL FUNDS

March 31, 2005

<u>Assets</u>	<u>Fire</u>		<u>Special</u>	<u>Road</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Operating</u>	<u>Fire</u>	<u>Improvement</u>	<u>Fund</u>	
Cash	\$ 250,507	\$ 154,778	\$ 184,175	\$ 172,356	\$ 8,251	\$ 770,067
Taxes receivable	3,948	4,319		6,478		14,745
Accounts receivable	1,566	6		9		1,581
Total assets	\$ 256,021	\$ 159,103	\$ 184,175	\$ 178,843	\$ 8,251	\$ 786,393
<u>Liabilities</u>						
Total liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Fund balances:

Unreserved, reported in:

General Fund

256,021

Special Revenue Funds

159,103

184,175

178,843

8,251

530,372

Total fund balances

\$ 256,021

\$ 159,103

\$ 184,175

\$ 178,843

\$ 8,251

\$ 786,393

Total liabilities

\$ 256,021

\$ 159,103

\$ 184,175

\$ 178,843

\$ 8,251

\$ 786,393

Total governmental fund balances

\$ 256,021

\$ 159,103

\$ 184,175

\$ 178,843

\$ 8,251

\$ 786,393

Amounts reported for governmental activities in the

Statement of Net Assets are different because:

Capital assets used in governmental activities are not
financial resources and are not reported in the funds

The cost of the capital assets is

1,911,806

The accumulated depreciation is

(550,520)

Net assets of governmental activities

\$ 2,147,679

The notes to the financial statements are an integral
part of this statement

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-

GOVERNMENTAL FUNDS

For the Year Ended March 31, 2005

	General	Fire Operating	Special Fire	Road Improvement	Nonmajor Fund	Total Governmental Funds
Revenues:						
Property taxes	\$ 96,496	\$ 105,088	\$	\$ 157,629	\$	\$ 359,213
State shared revenues	50,353					50,353
Charges for services:						
Cemetery	17,250					17,250
Ambulance and fire		23,836				23,836
Permit fees	3,481					3,481
Fund raising					25,664	25,664
Interest	4,202	1,004	4,808	538	24	10,576
Miscellaneous	5,005				223	5,228
Total revenues	176,787	129,928	4,808	158,167	25,911	495,601
Expenditures:						
General government:						
Administration	102,152					102,152
Inspections/appraisal	21,221					21,221
Cemetery	26,926					26,926
Capital outlay	41,705					41,705
Public safety:						
Fire protection		119,186			11,205	130,391
Capital outlay		950	4,340		3,116	8,406
Public works:						
Highways & streets				113,412		113,412
Other:						
Downtown development						
authority	9,711					9,711
Drains at large	5,648					5,648
Miscellaneous			10			10
Total expenditures	207,363	120,136	4,350	113,412	14,321	459,582

Excess (deficiency) of revenues over (under) expenditures	(30,576)	9,792	458	44,755	11,590	36,019
Other financing sources (uses):						
Transfers in			10,000			10,000
Transfers out					(10,000)	(10,000)
Total other financing sources (uses)	0	0	10,000	0	(10,000)	0
Net change in fund balances	(30,576)	9,792	10,458	44,755	1,590	36,019
Fund balances-beg of year	286,597	149,311	173,717	134,088	6,661	750,374
Fund balances-end of year \$	<u>256,021</u>	<u>\$ 159,103</u>	<u>\$ 184,175</u>	<u>\$ 178,843</u>	<u>\$ 8,251</u>	<u>\$ 786,393</u>

The notes to the financial statements are an integral part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

March 31, 2005

Net change in fund balances - total governmental funds \$ 36,019

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as expenditures
in the Statement of Activities. These costs are allocated
over their estimated useful lives as depreciation.

Depreciation expense	(70,935)
Capital outlay	<u>50,111</u>

Change in net assets in governmental activities	\$ <u><u>15,195</u></u>
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The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 81,000	\$ 81,000	\$ 96,496	\$ 15,496
State share revenues	48,000	48,000	50,353	2,353
Charges for services:				
Cemetery	17,000	17,000	17,250	250
Permit fees	2,800	2,800	3,481	681
Interest	1,700	1,700	4,202	2,502
Miscellaneous	1,000	1,000	5,005	4,005
Total revenues	<u>151,500</u>	<u>151,500</u>	<u>176,787</u>	<u>25,287</u>
Expenditures:				
General Government				
Administration	128,200	144,700	107,947	36,753
Inspections/Appraisal	26,000	26,000	21,221	4,779
Cemetery	42,500	62,500	62,836	(336)
Other:				
Downtown development authority	13,000	13,000	9,711	3,289
Drains at large	5,000	6,000	5,648	352
Total expenditures	<u>214,700</u>	<u>252,200</u>	<u>207,363</u>	<u>44,837</u>
Excess (deficiency) of revenues over (under) expenditures	(63,200)	(100,700)	(30,576)	70,124
Fund balance - beg of year			<u>286,597</u>	
Fund balance - end of year			<u>\$ 256,021</u>	

The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

FIRE OPERATING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 98,000	\$ 98,000	\$ 105,088	\$ 7,088
Charges for services:				
Ambulance and fire	22,000	22,000	23,836	1,836
Interest	<u>1,200</u>	<u>1,200</u>	<u>1,004</u>	<u>(196)</u>
Total revenues	<u>121,200</u>	<u>121,200</u>	<u>129,928</u>	<u>8,728</u>
Expenditures:				
Public safety:				
Fire protection	<u>140,000</u>	<u>150,000</u>	<u>120,136</u>	<u>29,864</u>
Total expenditures	<u>140,000</u>	<u>150,000</u>	<u>120,136</u>	<u>29,864</u>
Excess (deficiency) of revenues over (under) expenditures	(18,800)	(28,800)	9,792	38,592
Fund balance - beg of year			<u>149,311</u>	
Fund balance - end of year			<u>\$ 159,103</u>	

The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

SPECIAL FIRE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 600	\$ 600	\$ 4,808	\$ 4,208
Total revenues	<u>600</u>	<u>600</u>	<u>4,808</u>	<u>4,208</u>
Expenditures:				
Public safety:				
Capital outlay	100,000	101,000	4,340	96,660
Other:				
Miscellaneous	<u> </u>	<u> </u>	<u>10</u>	<u>(10)</u>
Total expenditures	<u>100,000</u>	<u>101,000</u>	<u>4,350</u>	<u>96,650</u>
Excess (deficiency) of revenues over (under) expenditures	(99,400)	(100,400)	458	100,858
Other financing sources				
Transfers in	<u> </u>	<u> </u>	<u>10,000</u>	<u>10,000</u>
Net change in fund balance	(99,400)	(100,400)	10,458	110,858
Fund balance - beg of year			<u>173,717</u>	
Fund balance - end of year			<u>\$ 184,175</u>	

The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

ROAD IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL

For the Year Ended March 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 145,000	\$ 145,000	\$ 157,629	\$ 12,629
Interest	700	700	538	(162)
Total revenues	<u>145,700</u>	<u>145,700</u>	<u>158,167</u>	<u>12,467</u>
Expenditures:				
Public works:				
Highways & streets	<u>278,693</u>	<u>278,693</u>	<u>113,412</u>	<u>165,281</u>
Total expenditures	<u>278,693</u>	<u>278,693</u>	<u>113,412</u>	<u>165,281</u>
Deficiency of revenues under expenditures	(132,993)	(132,993)	44,755	177,748
Fund balance - beg of year			<u>134,088</u>	
Fund balance - end of year			<u>\$ 178,843</u>	

The notes to the financial statements are an integral part of this statement.

BLISSFIELD TOWNSHIP
STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

March 31, 2005

<u>ASSETS</u>		Agency Fund
Cash and cash equivalents	\$	<u>1,788</u>
Total assets	\$	<u><u>1,788</u></u>

<u>LIABILITIES</u>		
Accounts payable	\$	<u>1,788</u>
Total liabilities	\$	<u><u>1,788</u></u>

The notes to the financial statements are an integral
part of this statement.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Blissfield Township, Lenawee County, Michigan (Township) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units.

Effective March 31, 2004, Blissfield Township, Lenawee County, Michigan implemented the provisions of GASB Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments. Significant changes in the statement include the following:

- * A Management Discussion and Analysis (MD&A) section providing an analysis of the Township's overall financial position and results of operations has been included with the financial statements.
- * Financial statements prepared using full accrual accounting for all of the Township's activities.
- * A change in the fund financial statements to focus on the major fund.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). Blissfield Township has elected to implement the general provisions of the statement.

A. Reporting Entity

The Township of Blissfield is a noncharter township, governed by a Board of Trustees. As required by generally accepted accounting principles, these financial statements present Blissfield Township as a primary government. There are no component units to the Township.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The Township has only Governmental activities, which normally are supported by taxes and intergovernmental revenues. The Township has no business-type activities, which rely to a significant extent on fees and charges for support.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and a fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Amounts due from other governments and services provided associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government reports the following major governmental funds:

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

The Fire Operating Fund accounts for financial resources of the Township's Fire Department.

The Special Fire Fund accounts for funds levied for the purchase of fire department equipment.

The Road Improvement Fund accounts for the maintenance of the roads within the limits of the Township.

Additionally, the government reports the following fund types:

The Special Revenue Fund (Fire Department) is used to account for the proceeds of specific revenue sources other than special assessments, expendable trusts, or major capital projects that are legally restricted to expenditures for particular purposes. These funds have been received mostly from fund raising activities of fire department personnel.

The Fiduciary Fund (Tax Collection Fund) is a trust and agency fund used to account for assets held by the Township in a trustee capacity or as an agent for individuals private organizations, other governments, and/or other funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Township's policy to use restricted first, then unrestricted resources as they are needed.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Assets, liabilities, and net assets or equity

1. Cash and investments

Cash includes amounts in cash on hand, demand deposits, except those deposits noted as investments (see below), as well as short-term investments with a maturity due within three months of the date acquired by the government.

Investments include money market and certificates of deposit where the intent is to hold funds long-term, as well as investments with maturity dates over three months of the date acquired by the government.

State statutes authorize the government to invest in Obligations of the U.S. Treasury, Federal Agencies, commercial paper, corporate bonds, repurchase agreements, and State approved Investment Pools.

Investments are stated at cost or amortized cost. The Township will use amortized cost only when it reflects fair value of the investment. Currently, no investments are stated at amortized cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide financial statements as "internal balances".

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources. The Township had no advances between funds at March 31, 2005.

Personal property taxes receivable is shown net of an allowance for uncollectibles.

Properties are assessed as of December 31 and the tax levies are July 1 and December 1 of the following year. The tax levies of July 1 and December 1, 2004 are revenues in the Township's fiscal year ended March 31, 2005.

The Township had a general tax millage of .8948 for 2004. The Township's maximum allowable millage is 1.0 mills.

A lien on the property occurs when the taxes are levied. The taxes levied July 1 are payable by September 14 without penalty. The taxes levied December 1 are payable by February 14 without penalty.

Since the County through revolving funds obtains the delinquent real property taxes for the Township, the sixty (60) day rule does not apply to such delinquent taxes receivable.

3. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements. Capital assets are generally defined by the government as assets with an initial, individual cost of more than \$500 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, liabilities, and net assets or equity (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	30
Buildings	50
Machinery and equipment	10
Office equipment	10
Computer equipment	5
Furniture	20
Fire vehicles	20
Fire equipment	10

4. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

The government-wide statement of net assets reports \$530,372 of restricted net assets of which \$-0- is restricted by enabling legislation.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

The accounting basis used by the Township for budgeting is in accordance with accounting principles generally accepted in the United States of America (GAAP).

The Township follows the budgetary procedure outlined by the State of Michigan including public hearings and proper adoption. All major funds of the Township have a budget. All annual appropriations lapse at fiscal year end. The budgets are amended during the year as needed.

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Excess of expenditures over appropriations in budgetary funds

P.A. 621 of 1978, Section 18(1), as amended, of the State of Michigan provides that a local governmental unit shall not incur expenditures in excess of the amount appropriated. Blissfield Township did not incur expenditures in excess of the amount appropriated in any of their funds. One expenditure function in the General Fund budget exceeded the amount budgeted.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the Township for these budgetary funds were adopted to the activity level.

NOTE 3. DEPOSITS

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to the Township. The Township does not have a deposit policy for custodial credit risk. As of March 31, 2005, \$478,587 of the Township's bank balances of \$773,239 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$478,587</u>
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BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2005 is as follows:

	Balance April 1, 2004	Additions	Deletions	Balance March 31, 2005
Governmental activities:				
Assets, not being depreciated - land	\$ 74,432	\$	\$	\$ 74,432
Land improvements	19,560	35,910		55,470
Buildings & improvements	968,523			968,523
Machinery & equipment	8,565	3,495		12,060
Fire vehicles & equipment	778,566	7,231		785,797
Office & computer equip	7,802	1,175		8,977
Furniture & fixtures	4,247	2,300		6,547
Total depreciable capital assets	<u>1,787,263</u>	<u>50,111</u>	<u>0</u>	<u>1,837,374</u>
Less: Accum. Depreciation for:				
Land improvements	3,908	1,129		5,037
Buildings & improvements	168,156	19,667		187,823
Machinery & equipment	5,735	1,159		6,894
Fire vehicles & equipment	296,315	47,448		343,763
Office & computer equip	4,610	1,309		5,919
Furniture & fixtures	861	223		1,084
Total accumulated depreciation	<u>479,585</u>	<u>70,935</u>	<u>0</u>	<u>550,520</u>
Net depreciable capital assets	<u>1,307,678</u>	<u>(20,824)</u>	<u>0</u>	<u>1,286,854</u>
Governmental activities net capital assets	<u>\$ 1,382,110</u>	<u>\$ (20,824)</u>	<u>\$ 0</u>	<u>\$ 1,361,286</u>

Depreciation expense charged to functions is as follows:

Governmental activities:	
General government	\$ 5,338
Public safety	<u>65,597</u>
Total depreciation expense governmental activities	<u>\$ 70,935</u>

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

NOTES TO FINANCIAL STATEMENTS

March 31, 2005

NOTE 5. INTERFUND BALANCES AND TRANSFERS (Continued)

Interfund transfers:

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) use Fire Department (nonmajor fund) revenues restricted for capital expenditures to the Special Fire Fund (major fund) which is restricted for the same purpose.

A schedule of interfund transfers follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Fire Department Fund	\$	\$10,000
Special Fire Fund	<u>10,000</u>	<u> </u>
	<u>\$10,000</u>	<u>\$10,000</u>

BLISSFIELD TOWNSHIP
LENAWEE COUNTY, MICHIGAN

TAX COLLECTION FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended March 31, 2005

	Balance			Balance
<u>ASSETS</u>	<u>April 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>March 31, 2005</u>
Cash in bank	\$ 146,778	\$ 2,508,292	\$ 2,653,282	\$ 1,788
Total assets	\$ 146,778	\$ 2,508,292	\$ 2,653,282	\$ 1,788
 <u>LIABILITIES</u>				
Interfund payable	\$ 1,734	\$ 346,981	\$ 347,134	\$ 1,581
Due to other taxing units	145,044	2,161,311	2,306,148	207
Total liabilities	\$ 146,778	\$ 2,508,292	\$ 2,653,282	\$ 1,788